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FOR IMMEDIATE RELEASE

(Washington DC) Chairman Luis V. Gutierrez today announced that the Financial Services' Subcommittee on Financial Institutions and Consumer Credit will hold a hearing to discuss, for the first time in the 111th Congress, H.R. 627, the Credit Cardholders' Bill of Rights Act of 2009; and H.R. 1456, the Consumer Overdraft Protection Fair Practices Act of 2009. The hearing will take place on **Thursday, March 19, 2009, 2:30 p.m.**, 2128 Rayburn House Office Building.

"In the 110th Congress, Ms. Maloney led the House in adopting this common-sense legislation to protect consumers," said Rep. Gutierrez. "While the Senate unfortunately did not adopt these basic consumer protections, Thursday's hearing will put this issue back on the table so that Congress can do its job and protect consumers in an unstable economy."

"In today's economy, consumers need protections from unfair and deceptive acts and practices more than ever," said Rep. Carolyn Maloney. "As the author of the Credit Cardholders' Bill of Rights and the Consumer Overdraft Protection Fair Practices Act, I commend Chairman Frank and Subcommittee Chairman Gutierrez for holding this legislative hearing that will bring about real consumer protections for every credit card holder and every consumer with a checking account."

Among its many consumer protections, the Credit Card Holders' Bill of Rights would prohibit unfair interest rate increases by preventing credit card companies from arbitrarily increasing interest rates on existing card balances. Additionally, it would end unfair "double cycle" billing, meaning that credit card companies could not charge interest on debt consumers have already paid on-time.

The bill also requires fair allocation of consumer payments. Many companies credit payments to a cardholder's lowest interest rate balances first, making it impossible for the consumer to pay-off high-rate debt. H.R. 627 bans this practice, generally requiring payments to be allocated proportionally to balances that have different rates.

In addition, the proposed legislation would protect vulnerable consumers from high-fee subprime credit cards —where total yearly fixed fees exceed 25 percent of the credit limit— by preventing those fees from being charged to the card itself. These cards are generally targeted to low-income consumers with weak credit histories.

To provide consumers more notice and choice related to overdraft fees, the Consumer Overdraft Protection Fair Practices Act would require notice to customers when an ATM transaction is about to trigger an overdraft. Consumers would then have a choice to accept or reject the overdraft service and the associated fee. This disclosure bill is modeled on the successful legislation requiring disclosure at ATMs related to transaction fees.

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